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Industrial Relations in Multinational Companies with Special Reference to Bench Management and Performance Improvement Plan – An Empirical Study

HEPZIBAH BEULAH C¹

ABSTRACT

The International Labour Organisation (ILO), played a larger role in defining the dignity attached to the work and the worker. This has not created a dispute free industry, rather the labour legislations in India have given the workers the access to justice and the management, with the rules to run a smooth business in consonance with the provisions of the Constitution of India. In the Information Technology Sector, there is a practice in prevalent which is called as the 'Bench management'. The Banking sector adopts a policy known as the 'Performance Improvement Plan'. Both the procedures lead to downsizing of its employees at its own will. The question arises as to what are the factors that make the employees feel satisfied with their job leading to testing their level of satisfaction in terms of 'job security', 'salary satisfaction', 'job mobility' and 'overall satisfaction' to ascertain the level of harmony in the two different service sectors. For the purpose of this study, the research is restricted to two companies TATA Consultancy services and Hong Kong and Shanghai Banking Corporation Limited (HSBC). The researcher has conducted the survey amongst 500 IT employees and 100 Banking Sector employees.

Keywords: *Industrial Relations, Industrial Harmony, Retrenchment, Bench Management, Performance Improvement Plan*

I. INTRODUCTION

The two sectors (IT and Banking) have different policies for downsizing its workforce. The irony in appraisal policies is that the performance appraisal methods² and employee management methods are being used to downsize the employees in the private sector. In the Information Technology Sector, there is a practice in prevalent which is called as the 'Bench management'. Though it is a positive practice, in general, to allocate the unallocated employees

¹ Author is an Assistant Professor at Government Law College, Vellore, Tamil Nadu, India

² Accenture. "Goodbye Annual Performance Appraisals." *Newsroom*, Accenture, 13 Aug. 1970, newsroom.accenture.com/news/goodbye-annual-performance-appraisals.htm. Longenecker, Clinton, and Laurence Fink. "Lessons for Improving Your Formal Performance Appraisal Process." *Strategic HR Review*, vol. 16, no. 1, 2017, pp. 32–38., doi:10.1108/shr-11-2016-0096.

to the upcoming projects, in recent times, the trend has changed. The unallocated employees who are said to be 'on bench' are the ones who are vulnerable to lose their job when a downsizing measure is undertaken in the sector. In some instances, the term 'optimal restructuring' is used instead of downsizing. These terms are equivalent to retrenchment or redundancy.

In the same way, the Banking sector adopts a policy known as the 'Performance Improvement Plan'. Under this plan, the employee who is deemed by the Team leader to be a non-performer is subjected to undergo Performance Improvement Plan. They are trained for a term of six months and then terminated from the job for non-performance. The employee has no other recourse in this case, as the management takes the final decision. Both these sectors follow the rating system to find out the fitness of the employee. The rating system is a statistical assessment system where Bell Curve is used as a technique.³

To explore and analyse these provisions of law and the practice prevalent in the IT and Banking Sector, this research is conducted. To understand the industrial relations in the MNC's it is imperative to analyse the employer-employee relationship in the company. The satisfaction level of an employee is ascertained to conclude the impact of the industrial relations on the employee in both the sectors. The level of satisfaction of the employee towards his job is dependent on 'job security', 'salary', 'job mobility', 'promotion', 'safety', 'health' and the like. However, for the present study, to test the level of satisfaction of the employee, the researcher has taken only four variables such as 'job security', 'salary', 'job mobility' and 'overall satisfaction'.

In this study, the dependent variable is 'Industrial Relations' and the independent variables are the 'level of satisfaction of the employees' and the 'types of companies'. Likewise, for an employee to be satisfied with his job or in simple terms towards 'job satisfaction', the key variables taken for the study are 'Job Security', 'Job Mobility', 'Salary Satisfaction' which are the independent variables influencing the dependent variable 'level of satisfaction of the employees' and 'types of companies'.

The researcher has collected demographic information of the samples and certain information alone has been used for testing. Demographic factors such as age, gender, educational qualification, current designation, monthly income, professional qualification, total experience and place of current employment are taken as independent variables influencing the dependent

³ Goel Dewakar. *Performance Appraisal and Compensation Management: A Modern Approach*. PHI Learning, 2012.

variables such as salary, job security and job mobility.

Industrial harmony is sine qua non of industrial growth. Therefore, the industrial relationship depends on the level of satisfaction of the employee. When the level of satisfaction is greater than 50 percentage, there is greater harmony and when the level dips below 50 percentage, there is lesser harmony.

Research Objective

The brief introduction given above throws light on the purpose and the objective of this research. The purpose of the research is to understand some basic concepts of general labour laws and the technical concepts that are in practice in relation to the two different sectors namely the IT sector and the Banking Sector. For better understanding, the objectives are highlighted enumerated below:

- To define the laws relating to ‘Industrial Relations’ and ‘Retrenchment’
- To describe the laws relating to the Information Technology Sector.
- To analyze the employee employer relationship in the labour legislations.
- To explain the relationship between the concepts of ‘Bench’, ‘Performance Improvement Plan’, ‘job security’ in the light of the old and new labour legislations.
- To find out the advantages and disadvantages of Bench and Performance Improvement plan and its relation to the term ‘retrenchment’
- To critically analyze the concepts of ‘Bench’ and ‘Performance Improvement Plan’ in the context of terms of contract of employment in accordance with the labour legislations.
- To find out the differences in the level of satisfaction of employees working in the Information Technology sector and Banking Companies and the effect of labour law provisions.
- To find out the level of satisfaction of employees working in the Information Technology Sector in relation to their ‘job security’ contrary to the retrenchment procedures and provisions enumerated in the ID Act, 1947
- To find out the level of satisfaction of employees working in Banking Companies in relation to their ‘job security’ contrary to the retrenchment procedures and provisions enumerated in the ID Act, 1947

- To find out the level of satisfaction of employees working in Information Technology Sector in relation to their ‘salary’ in comparison with the labour legislations relating to wages.
- To find out the level of satisfaction of employees working in Banking Companies in relation to their ‘salary’ in comparison with the labour laws relating to wages.
- To find out the level of satisfaction of employees working in Information Technology Sector in relation to their ‘job mobility’ in comparison with the promotion (both horizontal and vertical) as enumerated in the labour laws.
- To find out the level of satisfaction of employees working in Banking Companies in relation to their ‘job mobility’ in comparison with the promotion (both horizontal and vertical) as enumerated in the labour laws.
- To compare the levels of overall satisfactions of the employees in these two sectors/ companies in light of the laws relating to Industrial relations as provided in the old and new labour legislations.

Research Questions

The purpose of the research as enunciated above led the researcher to analyze the following questions. The various concepts involved, in and around the topic, are answered through the research questions that have been raised.

1. What is the meaning of Industrial Relations with reference to the old and new labour legislations?
2. Are Multinational Companies bound to follow the laws related to Industrial Relations as prescribed by the appropriate Governments?
3. What is the meaning of ‘Bench’ and ‘Performance Improvement Plan’ and if the same is contrary to the provisions of the labour legislations?
4. What are the different types of employee downsizing practices prevalent in India amidst the Multinational companies? Whether the practices are in consonance with the labour laws.
5. Are the two practices of ‘Bench’ and ‘Performance Improvement Plan’ in concurrence with the labour laws?

6. What are the basic differences between 'Bench' and 'Performance Improvement Plan' in the Information Technology Sector and the Banking Company? Whether these methods can be named as 'retrenchment procedures' post globalization.
7. What are the conditions stipulated in the terms of contract of employment of multinational companies? Are there differences between the terms of contract of employment of Multinational Companies and the laws prescribed by the labour laws in India?
8. Are there differences in the levels of satisfaction of the workers working in the Information Technology Sector and Banking Companies? Whether the difference is due to the methods of downsizing contrary to the labour law provisions.
9. Are there differences in the levels of satisfaction of the workers working in the Information Technology Sector and Banking Companies with respect to their job security in comparison with the related provisions in the labour law?
10. Are there differences in the levels of satisfaction of workers working in the Information Technology Sector and Banking Companies with respect to their salary and other benefits in comparison with the related provisions in the labour law?
11. Are there differences in the levels of satisfaction of the workers working in the Information Technology Sector and Banking Companies with respect to their job mobility in comparison with the related provisions in the labour law?
12. Are there differences in the overall satisfaction of the workers in the Information Technology Sector and Banking Companies in comparison with the related provisions in the labour law?

Hypotheses

With research questions to be solved, the hypothesis is framed to reach a conclusion on the level of satisfaction between the employees of two different sectors with variables such as Job security, Salary, Job Mobility and Overall Satisfaction. The following statements are determined by testing the hypotheses.

- i. The nature of Industrial Relations as defined in the appropriate labour laws depends upon the level of satisfaction of the employees.*
- ii. There is an association between the retrenchment practices of the Information Technology Sector and the Banking Sector and the levels of satisfaction of the employees.*

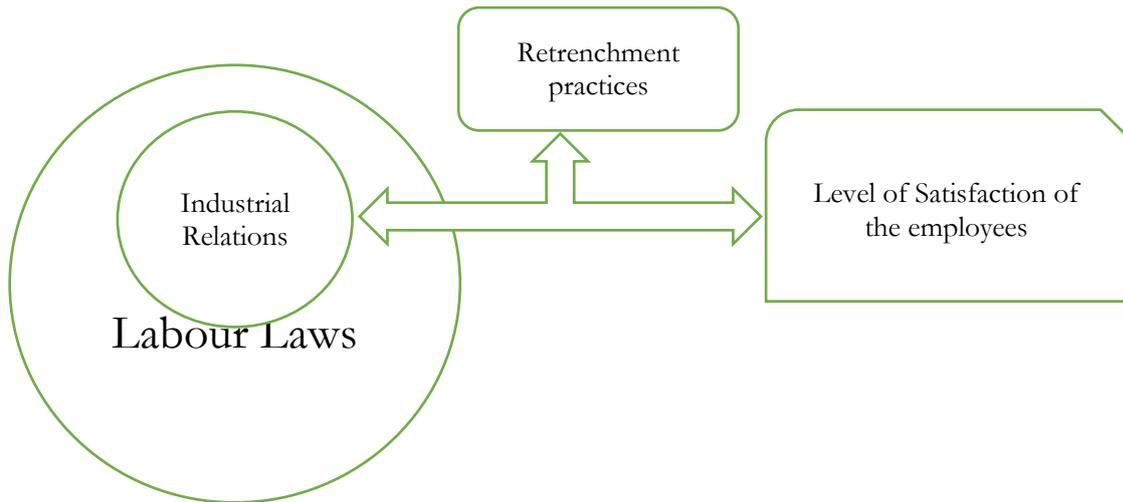


Fig 1. Hypothesis explained

The following hypotheses have been framed to find the relation between the different variables.

There are four major hypotheses:

H₁ There is an association between the types of companies and the levels of satisfaction of employees in relation to job security as defined in the appropriate labour legislations.

H₂ There is an association between the types of companies and the levels of satisfaction of employees in relation to the salary as defined in the appropriate labour legislations.

H₃ There is an association between the types of companies and the levels of satisfaction of employees in relation to the job mobility as defined in the appropriate labour legislations.

H₄ There is an association between the types of companies and the levels of satisfaction of employees in relation to the overall satisfaction as defined in the appropriate labour legislation.

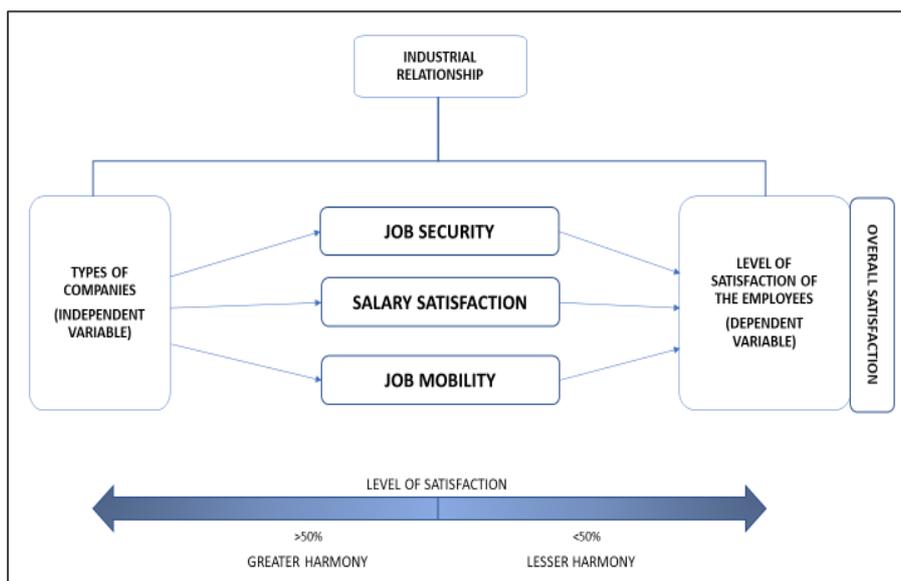


Figure 2. Diagrammatic explanation of the Hypotheses

Research Methodology

The present study is empirical in nature and the **type of tool used is questionnaire** in order to collect the data. For the purpose of conducting an appropriate research, it is essential to collect adequate theoretical data and the same is collected by reviewing relevant literature and the empirical data is gathered by means of questionnaire. The primary source of data is collected by administering questionnaires to the employees. It is a **researcher-made questionnaire given to randomly selected employees of the two sectors**. There are two types of questionnaire with respect to the two different sectors. They are collected, classified and quantified. **Convenient sampling method** was used with a representative sample from each level of employees with different demographic and employment grades. While going for convenient sampling, representations of various levels of the employees are taken into consideration. In this study, primary data is used to quantify and determine the level of satisfaction towards industrial relations. In this study, **descriptive analysis** in the form of percentage and frequency was used to analyze demographic of the respondents and level of satisfaction.

The study also includes case law analysis for a thorough understanding of the judicial pronouncements between the periods 1991 till date. A descriptive and analytical style of writing is used. The researcher has adopted the MLA style, 8th edition mode of citation has been used.

The theoretical population of this study consist of the entire Information Technology Sector and the Private Banking Sector. For the purpose of this study, the research is restricted to two companies TATA Consultancy services and Hong Kong and Shanghai Banking Corporation Limited (HSBC). In this study, the universe refers to the fulltime employees of TATA Consultancy Services in Chennai and the fulltime employees of HSBC in Chennai. The back-office employees do not stay in a company for a longer period and are generally stated as fluctuating crowd. Hence the back-office employees of these two companies are not considered for the study. The Sample size is hundred employees from HSBC and 500 from TCS, totaling to six hundred samples.

The researcher has conducted the survey amongst 500 IT employees and 100 Banking Sector employees from TCS and HSBC belonging to the age group between 21 and 50 years bifurcated into 21 to 30 years (freshers), 31 to 40 years (mid-aged employees) and 41 to 50 years (senior employees). The sample includes both male and female population who were either under graduate or post graduate employees. The current designation is bifurcated into three levels as Executive/officer (G1), Managerial (G2) and Top Management (G3). The employees at the

executive level are the fresh candidates from the job market who are either recruited directly or through campus placements in universities/colleges. The Managerial level is the mid-level employees who are in the senior positions managing the new recruits and less experienced employees and the top management are the senior most employees excluding the CEO and the Board members. The monthly income of an employee in the service sector is split as under Rs.35000 (M1), Rs. 35000 – 50000 (M2), Rs. 50001 – 75000 (M3), Rs. 75000 – 1,00,000 (M4), Rs. 1,00,000 to 1,50,000 (M5) and over Rs. 1,50,000 (M6). The professional qualification of an employee is discussed under three levels as Engineers (G1), MBA (G2), B.Sc computer science/M.Sc computer science (G3) and others (G4) in the case of respondents from the IT sector and under four levels as Engineers (G1), MBA (G2), MCA and B.Sc computer science/M.Sc computer science (G3) and others (G4) in the banking sector. The tenure of an employee is discussed under four levels as 1-5 years (T1), 6-10 years (T2), 11-20 years (T3) and above 20 years (T4). The sample also includes employees working out of India and those on international assignments.

Statistical Tools Used for Data Analysis

SPSS was used to analyze the data with tools such as independent sample ‘t’ test, One Way ANOVA, Exploratory Factor Analysis, Correlation Analysis, Reliability check. Independent sample ‘t’ test is used to compare the means of a continuous variable for two categories of subjects. One-way ANOVA is used to compare the means of two or more categories of the independent variable against the continuous or categorical dependent variable. In the study, one-way ANOVA is used to study whether there is any difference in the mean scores of dependent variables.

Sources of Data

Data collected through Questionnaire constitutes the primary data. The following are secondary data ‘Articles, books, dissertations, write-ups of scholars on these subjects and review of case laws, Judgements delivered by the Supreme Court, Constitutional provisions, Acts and Statutes of Labour Laws, Conventions of the International Labour Organisation, Supreme Court judgements from All India Reports (AIR), or Supreme Court Cases (SCC), Articles from Labour Law Journals and other Law journals.

Delimitation

Multinational companies refer to and are confined only to two service sector industries namely Information Technology and Banking. It is confined only to the city of Chennai. Industrial relations are generally, related only with reference to employees and not from the perspectives

of the employers or the management. The research is further confined only to full time employees.

In a corporate sector, the CEO is an employee drawing salary. However, the CEO and the directors at par including managing directors are not taken for the study. This study is confined only to multi-national Information Technology sectors which are offering their software programming services. Further, this study is confined only to foreign private banks specified by the Reserve Bank of India. This study does not deal with financial institutions.

II. FINDINGS OF THE RESEARCH

The following are the findings of the research:

(i) It was hypothesized that the employees from different age groups have significant difference in their level of satisfaction towards the salary in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents age and salary satisfaction. It is inferred from the table that there is a ***moderate correlation*** between the two variables in the IT sector [$r(499) = 0.566, p < .01$] and in the Banking sector [$r(99) = 0.528, p < .01$]. ***Hence the hypothesis, 'There is an association between the age group of employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.***

(ii) An independent samples t-test was conducted to compare the sex of the respondents and salary satisfaction in the two sectors. There were significant differences in the scores for Male ($M = 15.21, SD = 3.91$) and Female ($M = 23.11, SD = 4.73$) in the Banking sector with the mean score and significant differences in the scores for Male ($M = 21.30, SD = 4.82$) and Female ($M = 12.93, SD = 2.82$) in the IT Sector. The magnitude of the differences in the means was significant. The Indian society is a patriarchal society wherein it is considered that the male member of the family alone has to be the breadwinner. The women employees are more satisfied as the income is sufficient to run the family. ***Hence the hypothesis, 'There is an association between the gender of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.***

(iii) An independent samples t-test was conducted to compare the respondent's educational qualification and salary satisfaction in the two sectors. There were significant differences in the scores for Under Graduate ($M = 23.02, SD = 6.06$) and Post Graduate ($M = 16.19, SD = 3.80$) in the Banking sector with the mean score and significant differences in the scores for Under

Graduate ($M = 15.06$, $SD = 5.22$) and Post Graduate ($M = 20.05$, $SD = 5.41$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondent's educational qualification and salary satisfaction in both the sectors. The t-test significance values are greater for both the sectors. ***Hence the hypothesis, 'There is an association between the educational qualification of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.***

(iv) A one-way ANOVA was run with the level of salary satisfaction as the dependent variable and the professional qualification of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 33.53$, $p < .001$ and $F(499) = 40.44$, $p < .001$ in the IT sector. The ANOVA results suggest that there is a significant variation among the respondent's professional qualification with regard to salary satisfaction in the Information technology and Banking Sector. ***Hence the hypothesis, 'There is an association between the professional qualification of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation' is supported and null hypothesis is rejected.***

(v) A one-way ANOVA was run with the level of salary satisfaction as the dependent variable and the current designation of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 27.79$, $p < .001$ and $F(499) = 32.18$, $p < .001$ in the IT sector. The ANOVA results suggest that there is a significant variation among the respondent's current designation with regard to salary satisfaction in the Information technology and Banking Sector. ***Hence the hypothesis, 'There is an association between the current designation of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation' is supported and null hypothesis is rejected.***

(vi) It was hypothesized that the employees with different years of experience have significant difference in their level of satisfaction towards the salary in the two different sectors. The collected data was analyzed using the Karl Pearson's Co-efficient of correlation. The results reveal that there is a significant correlation between respondent's total experience and salary satisfaction. It is inferred from the table that there is a ***moderate correlation*** between the two variables in the IT sector [$r(499) = .579$, $p < .01$] and in the Banking sector [$r(99) = .537$, $p < .01$]. ***Hence the hypothesis, 'There is an association between the years of experience of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation' is supported and null hypothesis is rejected.***

(vii) It was hypothesized that the employees earning different monthly incomes have significant difference in their level of satisfaction towards the salary in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondent's monthly income and salary satisfaction. It is inferred from the table that there is a *moderate correlation* between the two variables in the IT sector [$r(499) = .651, p < .01$] and *strong correlation* in the Banking sector [$r(99) = .719, p < .01$]. **Hence the hypothesis, 'There is an association between the monthly income of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(viii) An independent samples t-test was conducted to compare the respondent's current employment and salary satisfaction in the two sectors. There were significant differences in the scores for Chennai ($M = 20.02, SD = 4.92$) and Abroad ($M = 10.5, SD = 0.81$) in the Banking sector with the mean score and significant differences in the scores for Chennai ($M = 16.13, SD = 4.78$) and Abroad ($M = 23.2, SD = 4.63$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondents educational qualification and salary satisfaction in both the sectors. The t-test significance values are greater for both the sectors. **Hence the hypothesis, 'There is an association between the current employment of the employees of the two sectors and the level of satisfaction towards salary as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

Finally, it is seen that among the IT employees, 64 percent of the employees have stated that the salary satisfaction is low and 36 percent of the employees have stated that the salary satisfaction is high. However, in the banking sector, 39 percent of the employees have stated that the salary satisfaction is low and 61 percent of the employees have stated that the salary satisfaction is high. Therefore, it is concluded that though performance improvement plan is followed as a method of retrenching employees in the Banking sector, the employees still have a higher level of satisfaction with regard to 'salary satisfaction' when compared to the Information Technology Sector where the practicing of Bench management is followed.

The present research was conducted between different groups in the Banking sector and IT sector to find the level of satisfaction between different variables with Job Mobility. The following are the findings of the research:

(i) It was hypothesized that the employees from different age groups have significant difference in their level of satisfaction towards job mobility in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents age and satisfaction towards job mobility. It is inferred from the table that there is a **strong correlation** between the two variables in the IT sector [$r(499) = .763, p < .01$] and **moderate correlation** in the Banking sector [$r(99) = .698, p < .01$]. Job mobility may be through promotions within the company which is a vertical mobility and a shift to another company which is a horizontal mobility. Promotion is coupled with increase in wages and job responsibility. **Hence the hypothesis, 'There is an association between the age of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(ii) An independent samples t-test was conducted to compare the respondent's sex and job mobility satisfaction in the two sectors. There were significant differences in the scores for Male ($M = 22.57, SD = 2.85$) and Female ($M = 27.41, SD = 1.17$) in the Banking sector with the mean score and significant differences in the scores for Male ($M = 21.17, SD = 2.34$) and Female ($M = 26.74, SD = 1.34$) in the IT Sector. The magnitude of the differences in the means was significant. There is a significant difference in job mobility between Female and Male respondents. **Hence the hypothesis, 'There is an association between the gender of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(iii) An independent samples t-test was conducted to compare the respondent's educational qualification and satisfaction towards job mobility in the two sectors. There were significant differences in the scores for Under Graduate ($M = 21.05, SD = 3.05$) and Post Graduate ($M = 25.85, SD = 1.89$) in the Banking sector with the mean score and significant differences in the scores for Under Graduate ($M = 20.17, SD = 2.55$) and Post Graduate ($M = 24.95, SD = 2.64$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondent's educational qualification and job mobility satisfaction in both the sectors. The t-test significance values are greater for both the sectors. **Hence the hypothesis, 'There is an association between the educational qualification of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(iv) A one-way ANOVA was run with the level of satisfaction towards job mobility as the dependent variable and the professional qualification of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 46.06, p < .001$ and $F(499) = 100.19, p < .001$ in the IT sector. The ANOVA results suggests that there is a significant variation among the respondent's professional qualification with regard to job mobility satisfaction in the Information technology and Banking Sector. **Hence the hypothesis, 'There is an association between the professional qualification of the employees of the two sectors and the level of satisfaction towards job mobility' is supported and null hypothesis is rejected.**

(v) A one-way ANOVA was run with the level of satisfaction toward job mobility as the dependent variable and the current designation of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 51.52, p < .001$ and $F(499) = 78.32, p < .001$ in the IT sector. The ANOVA results suggests that there is a significant variation among the respondents current designation with regard to job mobility satisfaction in the Information technology and Banking Sector. **Hence the hypothesis, 'There is an association between the current designation of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(vi) It was hypothesized that the employees with different years of experience have significant difference in their level of satisfaction towards the job mobility in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents total experience and job mobility. It is inferred from the table that there is a **strong correlation** between the two variables in the IT sector [$r(499) = .722, p < .01$] and **moderate correlation** in the Banking sector [$r(99) = .670, p < .01$]. **Hence the hypothesis, 'There is an association between the years of experience of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(vii) It was hypothesized that the employees earning different monthly incomes have significant difference in their level of satisfaction towards job mobility in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents monthly income and job mobility satisfaction. It is inferred from the table that there is a **strong correlation** between the two variables in the IT sector [$r(499) = .840, p < .01$] and **strong correlation** in

the Banking sector [$r(99) = .776, p < .01$]. **Hence the hypothesis, 'There is an association between the monthly income of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(viii) An independent samples t-test was conducted to compare the respondents current employment and satisfaction towards job mobility in the two sectors. There were significant differences in the scores for Chennai ($M = 23.28, SD = 3.00$) and Abroad ($M = 28.2, SD = 1.00$) in the Banking sector with the mean score and significant differences in the scores for Chennai ($M = 21.75, SD = 2.74$) and Abroad ($M = 26.9, SD = 1.21$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondents educational qualification and satisfaction towards job mobility in both the sectors. The t-test significance values are greater for both the sectors. **Hence the hypothesis, 'There is an association between the current employment of the employees of the two sectors and the level of satisfaction towards job mobility as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

Finally, among the IT employees, 42 percent of the employees have stated that the satisfaction on job mobility is low and 58 percent of the employees have stated that the satisfaction on job mobility is high. However, in the banking sector, 50 percent of the employees have stated that the satisfaction on job mobility is low and 50 percent of the employees have stated that the satisfaction on job mobility is high. Therefore, it is concluded that though Benching is followed as a method of retrenching employees in the Information Technology sector, the employees still have a higher level of satisfaction with regard to 'Job Mobility' when compared to the Banking Sector where the practice of Performance Improvement Plan is followed.

The present research was conducted between different groups in the Banking sector and IT sector to find the level of satisfaction between different variables with Job Security. The following are the findings of the research:

(i) It was hypothesized that the employees from different age groups have significant difference in their level of satisfaction towards job security in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents age and satisfaction towards job security. It is inferred from the table that there is a **moderate correlation** between the two variables in the IT sector [$r(499) = .672, p < .01$] and in the Banking sector [$r(99) = .349, p$

< .01]. Changes in government regulations might impact job security. The company's cost cutting efforts, economic downturns, changes in the top management, mergers and acquisitions are various other reasons that influence the satisfaction towards job security. **Hence the hypothesis, 'There is an association between the age of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(ii) An independent samples t-test was conducted to compare the sex of the respondent's and job security satisfaction in the two sectors. There were significant differences in the scores for male ($M = 22.33$, $SD = 2.89$) and Female ($M = 26.29$, $SD = 1.32$) in the Banking sector with the mean score and significant differences in the scores for male ($M = 21.47$, $SD = 2.57$) and Female ($M = 26.67$, $SD = 1.39$) in the IT Sector. The magnitude of the differences in the means was significant. There is a significant difference in job security between Female and Male respondents. **Hence the hypothesis, 'There is an association between the sex of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(iii) An independent samples t-test was conducted to compare the respondent's educational qualification and satisfaction towards job security in the two sectors. There were significant differences in the scores for Under Graduate ($M = 22.21$, $SD = 3.85$) and Post Graduate ($M = 24.34$, $SD = 2.26$) in the Banking sector with the mean score and significant differences in the scores for Under Graduate ($M = 20.86$, $SD = 3.38$) and Post Graduate ($M = 24.87$, $SD = 2.57$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondents educational qualification and job security satisfaction in both the sectors. The t-test significance values are greater for both the sectors. **Hence the hypothesis, 'There is an association between the educational qualification of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation.' is supported and null hypothesis is rejected.**

(iv) A one-way ANOVA was run with the level of satisfaction towards job security as the dependent variable and the professional qualification of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 12.76$, $p < .001$ and $F(499) = 74.48$, $p < .001$ in the IT sector. The ANOVA results suggests that there is a significant variation among the respondents professional qualification with regard to job security satisfaction in the Information technology and Banking Sector. **Hence the hypothesis, 'There is an association between the professional qualification of the employees**

of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation.’ is supported and null hypothesis is rejected.

(v) A one-way ANOVA was run with the level of satisfaction toward job security as the dependent variable and the current designation of the employees as the independent variable. The results indicate that there was a significant influence in the Banking sector $F(99) = 13.04$, $p < .001$ and $F(499) = 74.48$, $p < .001$ in the IT sector. The ANOVA results suggests that there is a significant variation among the respondents current designation with regard to job security satisfaction in the Information technology and Banking Sector. ***Hence the hypothesis, ‘There is an association between the current designation of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation’ is supported and null hypothesis is rejected.***

(vi) It was hypothesized that the employees earning different monthly incomes have significant difference in their level of satisfaction towards job security in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents monthly income and job security satisfaction. It is inferred from the table that there is a ***strong correlation*** between the two variables in the IT sector [$r(499) = .776$, $p < .01$] and ***strong correlation*** in the Banking sector [$r(99) = .581$, $p < .01$]. ***Hence the hypothesis, ‘There is an association between the monthly income of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation’ is supported and null hypothesis is rejected.***

(vii) It was hypothesized that the employees with different years of experience have significant difference in their level of satisfaction towards the job security in the two different sectors. The collected data was analyzed using the Karl Pearsons Co-efficient of correlation. The results reveal that there is a significant correlation between respondents total experience and job security. It is inferred from the table that there is a ***moderate correlation*** between the two variables in the IT sector [$r(499) = .661$, $p < .01$] and in the Banking sector [$r(99) = .369$, $p < .01$]. ***Hence the hypothesis, ‘There is an association between the years of experience of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation’ is supported and null hypothesis is rejected.***

(viii) An independent samples t-test was conducted to compare the respondents current employment and satisfaction towards job security in the two sectors. There were significant differences in the scores for Chennai ($M = 22.86$, $SD = 2.88$) and Abroad ($M =$

27.18, $SD = 1.10$) in the Banking sector with the mean score and significant differences in the scores for Chennai ($M = 21.94$, $SD = 2.85$) and Abroad ($M = 26.91$, $SD = 1.09$) in the IT Sector. The magnitude of the differences in the means was significant. From the test results in the table, it is inferred that there is a significant difference between respondents educational qualification and satisfaction towards job security in both the sectors. The t-test significance values are greater for both the sectors. ***Hence the hypothesis, 'There is an association between the place of current employment of the employees of the two sectors and the level of satisfaction towards job security as defined in the appropriate labour legislation' is supported and null hypothesis is rejected.***

Finally, the test shows that among the IT employees, 64 percent of the employees have stated that the job security is low and 36 percent of the employees have stated that the job security is high. However, in the banking sector, 39 percent of the employees have stated that the job security is low and 61 percent of the employees have stated that the job security is high. Therefore, it is concluded that though performance improvement plan is followed as a method of retrenching employees in the Banking sector, the employees still have a higher level of satisfaction with regard to job security when compared to the Information Technology Sector where the practicing of Bench management is followed.

The research was conducted between different groups in the IT industry and the Banking Industry to understand the relationship between 'Bench management' and 'Performance Improvement Plan' in relation to **overall satisfaction**. The following are the findings of the research:

- i. There is a significant correlation between respondents **age** and various dimensions of job satisfaction towards Information Technology employees. There is a significant correlation between respondents age and various dimensions of job satisfaction towards banking sector employees.
- ii. There is a significant correlation between respondents **total experience** and various dimensions of job satisfaction towards Information Technology employees. There is a significant correlation between respondents Total experience and various dimensions of job satisfaction towards banking sector employees.
- iii. There is a significant correlation between respondents **monthly income** and various dimensions of job satisfaction towards Information Technology employees. There is a significant correlation between respondents Monthly income and various dimensions of job satisfaction towards banking sector employees.

iv. There is a significant difference between respondents **sex** and various dimensions of job satisfaction towards Information Technology employees. There is a significant difference between respondents sex and various dimensions of job satisfaction towards banking sector employees.

v. There is a significant difference between respondents **educational qualification** and various dimensions of job satisfaction towards Information Technology employees. There is a significant difference between respondents educational qualification and various dimensions of job satisfaction towards banking sector employees.

vi. There is a significant variation among the respondents **professional qualification** with regard to various dimensions of job satisfaction towards Information Technology employees. There is a significant variation among the respondents professional qualification with regard to various dimensions of job satisfaction towards banking sector employees.

vii. There is a significant variation among the respondents **current designation** with regard to various dimensions of job satisfaction towards Information Technology employees. There is a significant variation among the respondents current designation with regard to various dimensions of job satisfaction towards banking sector employees.

viii. There is a significant difference between respondents **place of current employment** and various dimensions of job satisfaction towards Information Technology employees. There is a significant difference between respondents place of current employment and various dimensions of job satisfaction towards banking sector employees.

There is a significant difference between type of company and various dimensions of job satisfaction towards employees. There is a significant variation among the respondents intent to continue working for the present company with regard to various dimensions of job satisfaction towards banking sector employees.

Out of the 100 Banking sector employees, 53 percent came under the category of high level of overall satisfaction with the organization, 47 percent under the category of low level of overall satisfaction with the organization and out of the 500 IT sector employees, 51 percent came under the category high level of overall satisfaction with the organization and 49 percent came under the low level of overall satisfaction with the organization.

III. REASONS FOR LOW VARIATIONS IN THE TWO SECTORS

1. The primary reason for low variation in the two sectors can be attributed to a slew of factors which affect the employee lifecycle starting from recruitment to separation of employees.
2. Both these sectors have woven into their existence some of the best practices in quick and efficient workplace practices.
3. The talent acquisition system is highly developed and does not discriminate based on gender, physical capability or any other factors paving the way for a level playing ground for talent to emerge.
4. Onboarding programs which provide for zero delay in induction to new team members to start assignments in their workplace are world class and on par with best in the world, buddy mentoring and online orientation programs.
5. The Talent engagement and management platforms provide opportunities to exhibit and groom careers to the fullest potential.
6. The career development programs offer a variety of technical, functional, management paths as options for talent in these two sectors.
7. The best in class training platforms and wide variety of assignments act as a significant factor.
8. The listening posts available for employees in these sectors to raise grievances and address the concerns are real time and state of the art. The employees have direct access to the management and board of directors by virtue of advanced communication tools.
9. The whistle blowing mechanism and non-retaliation policies available in these two sectors address the needs of the employees to raise ethical concerns.
10. The salary component and fringe benefits are in a different league compared to other emerging sectors. From customized compensation packages to employee stock options, non-monetary benefits are plenty and these two sectors offer salary ranges well above the national average salary for graduates.
11. The opportunity to traverse the globe for international assignments from weekly business travel to long term immigration opportunities is a differentiating factor for these two sectors.

12. In the war for talent, these sectors have developed and put in practice as an industry norm additional group employment benefits from health insurance schemes, long service benefits, sabbatical leave and retiral benefits. These are in addition to the statutory benefits.

The survey was conducted with an aim to understand the level of job satisfaction in the Information Technology sector and the Banking Sector. The test results proved that there is an association between the type of companies and the level of satisfaction in relation to job security, salary, job mobility and overall satisfaction. The result also suggested that there is high level of satisfaction in the Banking industry compared to the Information Technology Sector.

From the above analysis, it is deduced that both the practices (Benching and Performance Improvement Plan) have some advantages as well as disadvantages. The advantages of Bench management method are:

1. The employee is aware of it and plans his career move accordingly.
2. The employer need not follow the retrenchment procedure as it is referred as a company practice.
3. It is an implied technique followed and it has become a general practice amongst the IT sector and therefore disputes are not raised to the judiciary.

The disadvantages of Bench management include:

1. The job security of the employee is threatened.
2. The laws of the land with regard to retrenchment are not followed, as the term bench has not been taken up for consideration by the legislature or the judiciary.
3. The employees have lesser salary satisfaction as they are aware that on completion of a project, the bench mechanism will reduce the percentage of the monthly salary.

The advantages of Performance Improvement Plan are:

1. The employee is not fired for non-performance but ample chance is provided for him to update his skills or to equip himself for another department.
2. This is applicable only to non-performers and therefore a very few employees will only face the impact unless a mass retrenchment is planned by the management.
3. It motivates the employee to perform better.

The disadvantages of Performance Improvement Plan:

1. Inclusive workplace is ignored.

2. Performance Improvement Plan is used as a firing mechanism whereas it is an appraisal technique.
3. Lesser satisfaction towards job mobility as shown in the findings of the research. The employee is aware that a better rating will alone help him to climb the career ladder.

As discussed in Chapter 1 and 2, retrenchment of employees through various downsizing policies of the company attribute to the level of job satisfaction of the employees. Though performance improvement plan is a similar strategy towards downsizing the workforce in the banking industry, the employees seems to show a higher level of satisfaction towards their job. However, the bench management system in the Information Technology sector is not being welcomed and is seen purely as a threat to work. The Industrial Disputes Act, 1947 had certain loopholes with regard to retrenchment in the multi-national companies which were handy for the human resource departments during the recession of 2008. The provision to inform the labour authorities about such retrenchment activities were not adhered. The employees in the bench were the most affected in this process.

IV. SUGGESTIONS FOR FUTURE RESEARCH

The research was conducted with different demographical factors, but it is difficult to perform an exhaustive taxonomy. However, only eight factors were used to do a detailed study. Apart, from the factors studied in this research, the remaining factors can be taken up for a detailed study with regard to industrial relations.

A research can also be conducted to analyze the different company policies which are against the employees are not explicitly mentioned in the contract offer. A further research is also suggested in the lines of inclusion of the *applicability of labour laws in the offer letter*.

A comparative research with the *applicability of labour laws in the MNCs existing in other countries may be taken*.

The impact of trade union on the public sector and the MNCs with regard to retrenchment can be a subject of future research. A significant percentage of employees in the MNCs do not have the awareness on the existence, role, impact of trade unions into their industry. It is therefore suggested to study the reason for less number of trade unions in the MNCs and awareness amongst the employees on the Trade Union Act.

On the psychological aspect, the emotional impact of the employees on the bench and performance improvement plan can be taken up for study. Further, the research may also take into consideration the pandemic aspect and its relation to job satisfaction, job mobility and

reduction in salary.

In the legal aspects, as aforementioned, there are *shortcomings in the Industrial Relations Code, 2020*. There will also be future impact on the implementation of the Code in the States and the onus lies on the respective Governments to address the open-ended provisions in the Code. Further, in case of *mergers and acquisitions* the employees tend to lose their job. A comparative study with the *UK law with reference to Transfer of Undertakings (Protection of Employment) Regulations* can be taken up for research. Similarly, a comparative study can be taken up with the *Fixed term labour contracts (befristeter Arbeitsvertrag) practiced in Germany*. Further, a comparative study with the *'responsible retrenchment' practiced by the Ministry of Manpower, Singapore* can also be taken up for analysis. The *Australian Fair Work Commission* and its administration of 'redundancy' can be compared with the labour administration as envisaged by the ID Act.

V. CONCLUSION

The decrease in the level of satisfaction amongst the employees of the information technology sector is due to the 'bench management' system. Fixed term employment is not the solution to address the unemployment rate. The government has to fix the retrenchment policies and provide job security to the employees. The international labour organizations (ilo) (2005) call for an international standard for decent work. There are various dimensions to dignity at work and one such dimension is job security.

In the light of the results received from testing the hypotheses, it is clear that job security has a paramount importance for the employees. However, the knowledge about the rights provided to an employee vide the id act and trade unions act have not reached them. It is the duty of the government and the labour authorities to create awareness among the employees about their rights. The government should also ensure that there is frequent inspection and analyses by the labour authorities on the percentage of employees leaving a company monthly and yearly. The analysis would help to ascertain whether there has been mass retrenchment without the knowledge of the authorities. Though the population size differs from that of singapore, the 'early alert' mechanism provided by the ministry of manpower, singapore can be adopted as the employees in the multinational companies are tech savvy and reporting to the authorities using technology will not be a concern. The details of the 'early alert' available through website or 'App' should be fixed in prominent places inside the organization.

In Germany, the notice period is related to the tenure of employment of the employee. The implementation of this concept would also ensure that the loyal employees who have put in

years of service are not retrenched with a 30 days notice period. Even in last in first out principle is mandated, the companies resort to retrench the highly paid senior employees to cut the cost of the company. Even for fixed term contracts, the Dutch law allows for a much stricter rule, the company must inform the employee in writing at least one month before his or her contract ends as to whether the contract will be renewed or not. The research study suggests that to preserve the industrial harmony and to bring about a higher level of job satisfaction amongst the employees, the retrenchment activity should be streamlined across all sectors and all other internal policies with regard to downsizing of employees should be eliminated in line with the policy of the International Labour Organization towards providing 'dignity at work'. The new 'fixed term employment' also has to be revisited in terms of job satisfaction and job security. Therefore, it is concluded that there is a compelling need to revisit the labour legislations and equip the enforcement authorities with technological skills towards establishing the right to work guaranteed by the Statute.

In a country like India, the economic development is measured in terms of GDP. The service sector is the highest contributor to the GDP. Industrial relations in the service sector is vital for the growth of the nation. The MNC's provide the best employment opportunities and the most sought after career for the young generation. The fact remains that the higher the harmony in the industry, the higher will be the industrial relations positively impacting the production of the industry. A highly satisfied employee will be highly productive and a higher production facilitates an increase in the economic growth of the country. Industrial relations, is therefore one of the paramount criteria influencing the national economic growth. Policies followed by the companies which are contrary to the labour legislations such as 'Bench management' and 'Performance Improvement Plan' have a negative influence on the satisfaction level of the employees.

The downsizing practices followed by the companies in the private sector has to be aligned with the retrenchment procedures provided in the labour legislations. This will ensure that there is greater harmony in the service sector which would eventually have a positive impact on the productivity of the country and the economic growth as a whole. As stated by Aristotle, "Pleasure in the job puts perfection in the work". A modern-day quote by the ex-CEO of Xerox Corporation, Anne M. Mulcahy, "Employees who believe that management is concerned about them as a whole person - not just an employee - are more productive, more satisfied and more fulfilled. Satisfied employees mean satisfied customers, which leads to profitability" is further extended to include the increase in the economic development which is the result of a company's profitability. The lapses and loopholes in the downsizing practices followed by the

companies have to be revisited and appropriately included in the new labour codes for achieving a greater harmony in the industrial relationship leading to an increased contribution to the GDP, enabling the nation in reaching its goals for a quicker transition from developing nation to a developed nation.
